

# Issuing cash tickets

The advance payment cash ticket must be made payable to the applicant as listed on the application form. If the applicant is a corporation, partnership (includes joint producers), cooperative or other business enterprise, the cash ticket must be made out in the name of the business.

- If there is a lien or other security on the applicant's grain, issue all cash tickets in the manner requested by the Lender as set out in the *Priority Agreement* (i.e. jointly or to the applicant).
- Ensure the cash ticket includes the date, company number, station code, delivery point name, six-digit advance application number, applicant's name, and the applicant's ID number.
- Report the cash ticket using the pool code "AV".

## Grain company administration fee

Your grain companies charges a \$75.00 fee (plus GST if advised by your head office) to cover the administration costs of issuing cash advances. This fee is deducted from the cash ticket. Consult with your head office for further details. The applicant is responsible for repayment of the entire amount of the cash ticket.

## CWB fees

If the applicant applies for and receives one or more cash advances that total over \$50,000 (including amounts being transferred from the 2005-06 *AMPA* whose default has been stayed), a \$125.00 (plus GST) fee will be assessed to cover the additional expense of validation and approval. Other CWB administrative costs will be covered by the pool accounts.

### Instructions:

- deduct the CWB fee (plus GST);
- deduct your grain company administration fee if not previously deducted for the advance (plus GST if applicable);
- report the gross value to the CWB;
- endorse the delivery permit book for the gross value (total amount paid to the applicant plus the CWB fee and your grain company fee).

If you have questions, call the CWB at 1-800-275-4292.

## Applications requiring CWB approval

The CWB must verify the following applications before a cash ticket can be issued:

- requests over \$50,000 (including previous advances).
- requests that exceed the elevator issuance limitation.
- corporations, companies, partnerships (including joint producers), cooperatives, other business enterprises (including Colonies) that have not been pre-approved.

Once CWB approval is received by faxed letter:

- issue the advance cash ticket within 30 days of CWB approval.
- submit the CWB copy of the advance cash ticket to your head office.

### Example 1:

Company A with pre-approved Declaration and Guarantee

\$80,000.00 advance applied for [gross amount endorsed in permit book]

- 79.50 grain co. fee (includes GST)

-132.50 CWB fee (includes GST)

\$79,788.00 paid to applicant

\$49,920.50 1<sup>st</sup> cash ticket

\$29,867.50 2<sup>nd</sup> cash ticket (after CWB approval)

### Example 2:

Applicant A applies for 2 advances that total more than \$50,000

\$25,000.00 1<sup>st</sup> advance applied for [gross amount endorsed in delivery permit book]

- 79.50 grain co. fee (includes GST)

\$24,920.50 paid to applicant

\$32,000.00 2<sup>nd</sup> advance applied for [gross amount endorsed in delivery permit book]

- 79.50 grain co. fee (includes GST)

- 132.50 CWB fee (includes GST)

\$31,788.00 paid to applicant

Total Endorsement \$57,000.00 (\$25,000 + \$32,000)

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# Bin inspections

Bin inspections were introduced by the federal government to assist in ensuring program integrity. The grain pledged on the advance application is the security on which the cash advance is based. The CWB has a responsibility to ensure the grain exists. By signing the cash advance application form, applicants agree to bin inspections.

Bin inspections are conducted by agents appointed by the CWB. The inspectors contact the applicant to make arrangements to measure the bins and determine the amount of grain each bin contains. The report the inspector submits to the CWB is compared to the advance application to determine if the applicant has sufficient grain to repay the advance at the advance issuance rate.

There are two types of bin inspections:

## 1. Pre-issuance

Bin inspections are required before an advance can be issued, when stocks claimed on the advance application exceed the area average yield (accounting for applicants who have irrigated acres and completed the *Application for Irrigation Rate* form). The applicant must have enough grain to cover the amount of the advance requested at the advance payment rate.

Applicants who refuse the inspections are not eligible for an advance. If the applicant reduces the amount of advance requested to the area average yield, an inspection will not be required.

## 2. Post-issuance

Bin inspections can be done at any time during the year after an advance has been issued. Post-issuance inspections are either done at random or for selected applicants who are considered high risk based on their advance payment history.

## Failed bin inspections

Applicants' accounts will be placed in default if:

- they fail or refuse a bin inspection;
- the shortfall upon inspection is more than 10 per cent of the issued amount calculated at the advance rate.

An applicant can contact the CWB to appeal a failed bin inspection. If an applicant disagrees with the inspection report or thinks the inspector did not inspect all relevant bins, a re-inspection may be granted after CWB review. Appeals should be requested immediately after the failed bin inspection was conducted.

## Questions about bin inspections

If you or the applicant have questions about a bin inspection, call the CWB at 1-800-275-4292.

# Repayments

By signing the cash advance application, the applicant agrees to deliver grain when delivery opportunities allow until the advance is repaid in full. **The interest-free portion is repaid first.**

Only the applicant is responsible for repayment of the advance. Deductions are not taken from related producers or other parties appearing in the permit book.

A permit book is required to obtain a cash advance.

The CWB has a continuing security interest in the grain pledged against the advance, and future crops until the advance is repaid.

Deductions for cash advances must be made:

- before any other deductions (does not include deductions for freight and handling or any other charges or levies prescribed by law);
- on all deliveries of wheat, durum, barley and selected barley made by the applicant to the CWB, off-Board market, an authorized feed mill or a railway car;
- until the advance and any interest, plus legal and collection costs if applicable, is repaid in full;
- whether or not the grain being delivered was pledged in the advance.
- advance refunds deducted from grain deliveries will be applied to advances in order of issuance, with the oldest advance being retired first

By signing the advance application, the applicant authorizes you to take these deductions.

Call 1-800-275-4292  
for advance  
repayment rates  
before the 1993-94  
crop year.

## Deductions for oats

Take deductions from  
deliveries of oats for  
producers who have  
outstanding advances  
from the 1988-89  
crop year or earlier.

## Advance repayment rates

(dollars per tonne)

Crop year	Wheat	Durum	Barley	Sel Bly
2006-07 (AMPA/ESCAP AH)	\$80.00	\$75.00	\$35.00	\$60.00
2006-07 (SCAP/ESCAP PH)	\$70.00	\$70.00	\$35.00	\$60.00
2005-06 (AMPA)	\$70.00	\$75.00	\$35.00	\$60.00
2005-06 (SCAP)	\$65.00	\$70.00	\$35.00	\$60.00
2004-05 (AMPA)	\$80.00	\$75.00	\$40.00	\$63.00
2004-05 (SCAP)	\$70.00	\$70.00	\$40.00	\$63.00
2003-04 (AMPA)	\$70.00	\$75.00	\$40.00	\$70.00
2003-04 (SCAP)	\$80.00	\$90.00	\$45.00	\$70.00
2002-03 (AMPA)	\$85.00	\$95.00	\$60.00	\$75.00
2002-03 (SCAP)	\$80.00	\$95.00	\$55.00	\$75.00
2001-02 (AMPA)	\$80.00	\$90.00	\$50.00	\$75.00
2001-02 (SCAP)	\$80.00	\$75.00	\$45.00	\$75.00
2000-01 (AMPA)	\$65.00	\$70.00	\$40.00	\$65.00
2000-01 (SCAP)	\$65.00	\$70.00	\$40.00	\$65.00
1999-2000	\$60.00	\$65.00	\$35.00	\$60.00
1998-99	\$60.00	\$65.00	\$35.00	\$60.00
1997-98	\$70.00	\$80.00	\$43.00	\$70.00

## Repayment rates 1996-97 to 1993-94

Crop year	Wheat	Barley	Oats
1996-97	\$ 80.00	\$ 65.00	N/A
1995-96	\$ 70.00	\$ 50.00	N/A
1994-95	\$ 55.00	\$ 43.00	N/A
1993-94	\$ 55.00	\$ 43.00	N/A

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## Repayment rate 2006-07 advances

Payment should not exceed the net returns for the grain at the elevator, factoring in:

- grade of the grain;
- tough and damp discounts;
- provincial commission fees where applicable; and
- handling and transportation costs.

Fall advances issued for the 2006-07 crop year are repaid at the same rate at which they were issued. For example, if an advance was issued for wheat at \$80.00 per tonne, a deduction of \$80.00 is made for every tonne of wheat delivered.

***Farmers may repay the advance at a higher rate if they request to do so. This decision must be made at the time of settlement.***

## 1997-98 and later crop year AMPA advances

When a 1997-98 or later crop year advance is outstanding in a later crop year, the repayment rate is the greater of:

- the rate at which the advance was issued; or,
- the current advance rate.

**Example:** If the applicant's advance issued at \$80.00 per tonne for wheat is outstanding in the next program year, and the new rate for wheat is \$70.00 per tonne, deductions are taken at \$80.00 per tonne. If the rate for wheat in the next program year is \$85.00 per tonne, deductions are taken at \$85.00 per tonne.

## Deliveries to feed mills, grain dealers, and ethanol plants

Feed mills, grain dealers and ethanol plants must have an "Advance Payment Deduction Agreement" in order to deduct and report any refunds from feed grain deliveries to their facilities. If such an agreement is signed, and the grain is delivered under a delivery permit book that has an endorsement, the required advance deduction is made and immediately remitted to the CWB on a Form GDFMEP91 (available from the CWB). The refund and delivery details must be entered in the farmer's 2006-07 delivery permit book.

Deliveries of feed grain by farmers to these facilities are not subject to delivery calls.

Where a feed grain delivery is made to a feed mill, grain dealer or fuel ethanol plant who do not have an Advance Payment Deduction Agreement with the CWB, it is the farmer's responsibility to submit the necessary advance refund with receipt to the CWB within seven days of settlement and to make the appropriate grain delivery entry into the permit book.

Report cash payments representing wheat or barley farm to farm sales, feed lot deliveries or missed refunds to the CWB as pool code O/C - (Other Cash).

**Documents may be requested later by the CWB to validate the information.**

**For all advances (1997 and later), the repayment rate is the rate at which the advance was issued or any later crop year rate (whichever is greater).**

Inform the CWB and your head office if an applicant's status changes. This includes breaching any of the terms and conditions, death, land transactions, address changes and any other information that may assist in recovering the advance.

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## Cash refunds interest

Cash refunds are payments made other than from deliveries of wheat, durum or barley. Cash refunds that, within the crop year, exceed \$500 or 10 per cent of the issued value of the advance (whichever is greater) will be subject to interest (see examples 1 & 2).

Every producer certificate reported to the CWB is checked to determine whether the proper deduction has been taken. **Ensure that the proper repayments are made. If repayments are missed or are insufficient, your company will be held liable.**

### Automated bill payment service

The CWB introduced a telephone/internet/ATM bill payment service enabling farmers to repay their outstanding CWB cash advances. To use this service, farmers must contact their own financial institution to arrange for them to set up this automated bill payment system.

Any automated payments exceeding the above cash refund interest-free limits will be subject to cash refund interest for the fall advance program. The CWB does not charge any fee for automated payments; however, the farmer's financial institution may charge a transaction fee for this service.

To make automated bill payments, farmers will be asked to provide their CWB account number which is the 10-digit producer ID number. The Pool Code for these payments is BT (Bank Transfer). Call 1-800-275-4292 for more information.

## When feed barley is selected

If an advance is taken at the feed barley rate and the barley is later accepted under a *Selected Barley Storage and Delivery Contract*, the repayments must be deducted at the selected barley rate. Applicants whose feed barley is selected may apply for an additional advance payment.

## When selected barley is rejected

If an advance was taken on selected barley that was accepted by the selector and the grain is later rejected and offered as feed barley, deductions must still be taken at the selected barley rate to ensure the advance is repaid in full.

## Out-of-condition grain

If grain pledged against an advance goes out of condition before it can be delivered, the applicant must make a cash repayment to the CWB immediately for the amount of grain out of condition at the advance rate. The applicant must also pay interest at the prime rate on that portion of the advance. Failure to do so may result in default.

## Deliveries to facilities where deductions cannot be made

If grain is delivered to a facility where a deduction cannot be made by an authorized agent, the applicant must submit a copy of the receipt with the appropriate deduction (tonnes x rate) to the CWB within seven days of settlement with copy of receipt. Failure to do so may result in default.

### Example 1: Advance issued Sept. 20/2006 for \$20,000.00.

Maximum amount that can be paid in cash without interest being assessed is either \$500.00 or 10 per cent of \$20,000.00 (\$2,000.00), whichever is greater.

**Maximum amount is \$2,000.00**

### Example 2: Advanced issued Sept. 20/2006 for \$4,000.00.

Maximum amount that can be paid in cash without interest being assessed is either \$500.00 or 10 per cent of \$4,000.00 (\$400.00), whichever is greater.

**Maximum amount is \$500.00.**

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**Note:** Cash payments made as a result of deliveries to a facility where no deduction could be taken will not be assessed cash refund interest, provided a receipt is issued by the facility or individual who is purchasing the grain, and is submitted with the payment. Elevator managers should report cash refunds representing farm to farm sales, feed lot deliveries or missed refunds to the CWB as pool code O/C (Other Cash).

## Exemptions for deliveries to purchase seed

Deductions are not required on grain delivered under CWB authorization to purchase seed. Refer to page 26 of the *2006-07 Delivery Permit Book* for more details.

**Important:** Applicants should indicate grain set aside for this purpose on the Advance Application under Section 1.ii.

## Finalizing interest-bearing accounts

You can get the updated balance by accessing CWB E-services providing your company has signed up for this service. Also, when finalizing repayment of an advance on which interest was assessed, you can call the CWB's IVR number (1-800-275-4292) to receive the updated account balance.

## Reporting repayments on the cash ticket

On the cash ticket, report the deduction as a CWB refund.

## Recording repayments in the delivery permit book

Record repayments for wheat, durum and barley advances on pages 4-8 of the *2006-07 Delivery Permit Book*.

## Statements to farmers

On advances with accrued interest, a statement outlining principal, interest, repayments and the balance outstanding is sent to farmers each month.

When cash payments are sent to the CWB, statements are also sent to applicants. The statement serves as a receipt for the cash payment. A statement is sent to the farmer when the advance is repaid. Account statements will be sent to all farmers with cash advances, on a quarterly basis in October, January, April and July.

## Outstanding PGAPA advances

For outstanding PGAPA advances issued in the 1996-97 crop year or earlier, make deductions at the rate at which the advance was issued (see page 20). Record the deductions on pages 4-8 of the *2006-07 Delivery Permit Book*.

## Applicants who have participated in more than one cash advance

Each separate 10-digit ID number must be checked to determine each outstanding balance.

When checking the account balance of an interested party, use their interested party ID number (full 10 digits) and not the permit book holder's number.

Deliveries of wheat, durum and barley to the CWB and the off-Board market must be recorded in the delivery permit book.

The receipt must indicate the name and signature of the purchaser, applicant's name as seller, tonnage, type of grain, the value of the sale and date of delivery. Scale tickets and receipts issued by the seller cannot be accepted.